

# **The American Recovery and Reinvestment Act**

## **Building a Strong, Competitive 21<sup>st</sup> Century Economy**

### **INVESTING IN 21ST CENTURY EDUCATION**

*States now face a \$91 billion shortfall in education funding – putting hundreds of thousands of jobs and the promise of a good education in jeopardy. Economists and scientists agree that strategic, targeted investments in education are needed to create jobs, give America's children the skills they need to compete globally – and to put our economy back on the road to recovery.*

**The American Recovery and Reinvestment Act** invests \$105.9 billion in education and training to help build the world class education system our economy needs and our children deserve. The plan will:

#### **Prevent teacher layoffs and restore state cuts to education**

- Creates a \$53.6 billion state stabilization fund to help prevent education-related layoffs, upgrade, repair and modernize schools and restore harmful cuts to education funding, including \$39.5 billion for local school districts and public colleges and universities;
- Require states to meet certain criteria in order to be eligible for funds, including:
  - Maintain their FY06 education funding levels
  - Address teacher distribution inequities to ensure every classroom has a qualified, effective teacher
  - Establish a longitudinal data system to help teachers gauge students progress in real time and lay groundwork for use of growth models for accountability
  - Develop more fair and better assessments for students to measure critical thinking, problem solving and other complex skills students will need in today's world.
  - Improve state educational standards for students
  - Comply with school improvement provisions of current law
- Includes \$5 billion for bonus grants to states for making progress in those key areas.

#### **Strengthen education resources for students in need**

- Provides \$13 billion for Title I grants for high poverty schools, which includes \$3 billion to provide extra help to struggling schools;
- Invests \$12.2 billion to help schools maintain services for students with disabilities under the Individuals with Disabilities Education Act.

#### **Make critical investments in early education for an additional 124,000 children**

- Provides \$2.1 billion for Head Start, and Early Head Start, which provides comprehensive development services for low-income preschool children, infants and toddlers. This will expand early education opportunities for an additional 124,000 children and create 50,000 early education jobs;
- Studies have shown that Head Start is one of the best ways to improve child well-being, increase the educational achievement and future productivity of children, and reduce crime. Studies also show that \$1 invested in early education yields up to \$17 in returns.